

Before the
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

In the matter of
Glenoaks Station Post Office
Burbank, California 91504

Docket No. A2013-5

RESPONSE TO PUBLIC REPRESENTATIVE COMMENTS

(August 19, 2013)

I. INTRODUCTION

The Postal Service has issued a Final Determination to discontinue the Glenoaks Station post office in Burbank, California. Several appeals have been filed with the Commission,¹ the Postal Service has filed a Motion to Dismiss,² the Public Representative has submitted a Response supporting the Motion to Dismiss,³ and one of the petitioners has filed a Reply opposing the Motion to Dismiss.⁴ The parties have been waiting to hear whether the Commission will accept or reject the Motion to Dismiss.

On August 15, 2013, based on the supposition that the Commission may reject the Postal Service's Motion to Dismiss, the Public Representative moved forward by

¹ Petitions for Review Received from Charlotte E. Costan Regarding Glenoaks Station Post Office, Burbank, CA 91504, July 3, 2013; Petition Received from Anna May Nelson, July 3, 2013; Petition Received from Sharon Wright, July 3, 2013; Petition Received from Linda Ly, July 3; Petition Received from Sharyn Engel, July 3, 2013; Petition for Review Received from Victoria Lova, July 8, 2013; Petition Received from Marlene Keables Benda, July 19, 2013; Petition Received from George E. and Shari Bloch, July 19, 2013; Petition Received from Sharon Galluccio, July 19, 2013.

² Motion of United States Postal Service to Dismiss Proceedings, July 15, 2013 (Motion to Dismiss).

³ Public Representative Response to United States Postal Service Motion to Dismiss Proceedings, July 23, 2013 (Response to the Motion to Dismiss).

⁴ Reply to the United States Postal Service Motion to Dismiss, July 29, 2013.

submitting Comments analyzing and the Postal Service's decision to close Glenoaks and recommending that the Commission affirm the final determination.⁵

Under the circumstances, it seems necessary to respond to these comments. The following analysis may also be considered the petitioner's argument for why the Commission should remand the Final Determination to close the Glenoaks post office.

II. STATEMENTS OF FACTS

On May 8, 2009, the Postal Service initiated a Facility Optimization study on the Glenoaks Station in Burbank, California. AR Item 17.⁶ It recommended that the Glenoaks Station should be closed, retail operations should be transferred to the Downtown Station, and the building should be sold. The Optimization study says the broker's value of the building is \$1,229,888, and the cost for renovating the Downtown Station on E. Olive Avenue to accommodate additional post office boxes is \$83,258. The study itemizes the annual savings. AR Item 17 at 9:

Utilities:	\$12,889
Interstation:	\$6,789
Maintenance labor:	\$15,257
EAS/craft labor:	\$39,112
Total annual savings:	\$74,027

The recommendation is identified as Option No. 1. As presented in the Administrative Record, the Facility Optimization study does not describe any options other than Option No. 1. The study was approved by Operations, Planning &

⁵ Public Representative Comments, August 15, 2013. (Public Representative Comments)

⁶ The Administrative Record is attached to the United States Postal Service Notice of Filing Administrative Record, July 15, 2013 (AR). There are two additional supplements, August 18, 2013 (AR Supp 1) and August 19, 2013 (AR Supp 2).

Construction on June 22, 2009, and by the Area Vice President on August 13, 2009.

On February 4, 2011, the Manager of Post Office Operations filed a request for authorization to study the Glenoaks Station for Discontinuance. The reason checked is "reasonable alternate access." AR Item 1. The Discontinuance Financial Summary lists the savings from maintenance, utilities, transportation, and labor. The numbers are the same as in the 2009 Facility Optimization study, but there is no longer an amount allocated for renovating the Downtown Station to accommodate additional post office boxes. AR Item 8.

Sometime in March 2011, the Manager of Postal Operations appears to have given materials to the Burbank OIC/Postmaster. AR Item 10. These materials include a letter dated March 21, 2011, sent by the Manager of Post Office Operations to Glenoaks' customers informing them that the Postal Service was conducting a discontinuance feasibility study. Customers were told that if the post office closed and they had a post office box at the Glenoaks Station, they would have the option of continuing to receive post office box service at the Burbank Post Office on N. Hollywood Way (rather than the Downtown Station, as recommended by the Optimization study). The letter also informed customers that there would be a community meeting "to explain the process and address community concerns." It was to be held on May 30, 2011, at 12:30 p.m., at the Glenoaks post office. Among the materials is a copy of the questionnaire to be used to solicit feedback from customers. It contains eight questions. AR Item 10.

On May 12, 2011, the Manager of Post Office Operations sent Glenoaks customers a letter reminding them that there would be a meeting about the proposed

closure on May 30, 2011. AR Item 12. The meeting was held as scheduled. There was no sign-in sheet, but the meeting roster indicates that two customers were present. AR Item 11.

On June 7, 2011, the Post Office Review Coordinator sent the OIC/Postmaster a letter with instructions to post the Proposal to Close the Glenoaks post office on June 9, 2011. AR Item 15. The Proposal invited customers to comment on the proposed closure, and it indicates that “optional comment forms” were available upon request at the Glenoaks and Burbank post offices. Customers were given 60 days to file comments (June 9 to August 10, 2011). AR Item 16. The Administrative Record includes a copy of the “Optional Comment Form.” It invites comments on three topics: Effect of the closing on your postal services; effect on your community; and other comments. AR Item 18. The record contains no responses from customers using this form.

The Proposal to Close states that the reason the office was being studied for closure is that “over the past several years there has been a decline in the amount of walk in revenue.” The Proposal provides the revenues at Glenoaks for FY 2008 through FY 2012:

FY 08	\$1,219,252
FY 00	\$976,274
FY 10	\$906,610
FY 11	\$930,481
FY 12	\$877,111

Also included in the Proposal is a copy of the “Node Study” (i.e., the Facility Optimization study) conducted in May 2009. AR Item 17.

On May 8, 2013, the Manager of Post Office Operations sent Glenoaks

customers a letter thanking them for returning the questionnaire concerning the proposed discontinuance of their post office. This is apparently a reply to surveys that had been returned to the Postal Service over two years earlier, in April 2011.

The letter identifies three concerns that were expressed in the survey responses: “a concern about package delivery and pickup”; “a concern about the loss of the Communities’ Identity”; and “a concern that the Postal Service exhibits a lack of interest in the mailing needs of the community.” The letter responds briefly to each of these. (There are actually four concerns listed, but the one about community identity appears twice, in the same exact words.) AR Item 20.

The Administrative Record also includes a “Customer Questionnaire Analysis.” AR Item 21. It notes that questionnaires were distributed to all delivery customers of the Glenoaks post office on March 21, 2011, and they were also available to walk-in customers. It provides the following summary:

Total questionnaires distributed:	1000
Total questionnaires received:	132
Unfavorable to proposal:	83
Favorable to proposal:	33
Expressing no opinion:	16

The Administrative Record contains copies of the questionnaires that were submitted by customers. There are 62 surveys, not 133. Of them, two could be characterized as favorable to the proposal.

The survey form that was actually used is not the same as the sample provided by the Post Office Review Coordinator to the OIC/Postmaster in March 2011 (AR Item 10). Rather than containing eight questions, it contains five, and there are other differences, as discussed below.

On June 20, 2013, the Postal Service posted a Notice of Final Determination to Close Glenoaks Station. It contains a paragraph with information about how to appeal the Final Determination to the Postal Regulatory Commission. On July 2 and 8, several petitions were submitted to the Commission. On July 15, the Postal Service filed the Administrative Record and a Motion to Dismiss the appeal. On July 16, 2013, the Postal Service posted a revised Final Determination. It did not include the paragraph with instructions about how to appeal to the PRC. AR Supp at 2 and Item No. 36. Following the posting of this second Final Determination, several additional appeals were received by the Commission and added to the docket.

On July 23, the Public Representative submitted a Response to the Postal Service's Motion to Dismiss, arguing that the Postal Service's Motion to Dismiss should be granted because the closure of the Glenoaks post office was part of a "rearrangement of retail facilities" and "the community will not experience a decrease or extinguishment of retail services."

On July 29, 2013, Response to the Motion to Dismiss was submitted by Steve Hutkins on behalf of petitioner Marlene Keables Benda. On August 5, the Postal Service submitted a Surreply to Dr. Hutkins' Reply. On August 15, the Public Representative submitted Comments arguing that the final determination should be affirmed.

III. COMMENTS ON THE FINAL DETERMINATION AND THE RECORD

A. EFFECT ON THE COMMUNITY

In the Comments filed on August 15, the Public Representative states,

“Petitioners argue the closing of Glenoaks Station will have a negative effect on their community and the postal services they receive. They claim patronizing other facilities is inconvenient, exposes them to crowds, and limited parking at the Burbank Post Office limits their access to postal services.” The Public Representative then observes, “Their argument is not persuasive.”

The petitioners have not yet presented an argument about how the closing of the Glenoaks post office will affect them, their community, and their access to postal services. The appeals they filed were not intended as arguments; they simply initiated the process. As noted in the Rules for Appeals, §3025.10, the petition for review need only include “the name(s) and address(es) of the person(s) filing it and the name or location of the post office to be closed or consolidated.”⁷ While some petitioners choose to make a comment in the petition, they are not asked to provide an argument at this stage of the proceedings. Their arguments are supposed to come later.

1. The public meeting

According to 39 U.S.C. 404(d), in making a determination whether or not to close a post office, the Postal Service must consider the effect on the community. According to 39 C.F.R. 241.3(d), the Postal Service must “ensure that the persons served by affected USPS-operated retail facilities understand the nature and implications of the proposed action. A community meeting must be held to provide outreach and gain public input after the proposal is posted.”

⁷ Part 3025, Rules for Appeals of Postal Service Determinations to Close or Consolidate Post Offices.

The Administrative Record indicates that two people attended the public meeting to discuss the closure of the Glenoaks post office held on May 30, 2011. This might seem to indicate that there was not much interest in Glenoaks about keeping a post office. However, it turns out that May 30, 2011, was Memorial Day, a federal holiday. The Public Representative notes being “disturbed that the Postal Service held its community meeting on a federal holiday (an imprudent error at best, or an insincere gesture, at its worst),” but lets it go at that.

Whether imprudent or insincere, the scheduling of the meeting on a federal holiday is probably a violation of postal regulations. The Discontinuance Guide, section 251.1, states this about the public meeting:

Selecting Date and Location: The Marketing Manager should discuss the time and location of the community meeting with the Postmaster, OIC, or other responsible personnel. Be sure to schedule the meeting at a time that encourages customer participation, such as during an evening or weekend.⁸

Memorial Day — a federal holiday when post offices are closed and families are out enjoying the beginning of summer — is hardly a day and time to encourage customer participation.

Handbook PO-101 goes on to say, “If a second meeting is warranted, plan and schedule it according to the same guidelines as the initial meeting.” Whatever postal officials were thinking when they scheduled the first meeting for Glenoaks, they should have known after only two people showed up that it needed to be rescheduled. It has been over two years since the meeting took place. There has been plenty of time to schedule another one.

⁸ Handbook PO-101, Postal Service-Operated Retail Facilities Discontinuance Guide, July 2011, p. 15. (PO-101)

2. The survey results

According to 39 C.F.R. 241.3, the Postal Service must solicit feedback from customers by distributing a questionnaire. Handbook PO-101 states, “After the response deadline expires, the Discontinuance Coordinator timely prepares a questionnaire analysis. Maintain copies of returned questionnaires and response letters for inclusion in the official record, including those submitted after the deadline.”⁹

The Administrative Record contains a Customer Questionnaire Analysis that tallies up the results of the survey. AR Item 21. As noted above, it says that 1,000 questionnaires were distributed to Glenoaks customers; 132 questionnaires were returned. Of these, 83 were unfavorable; 33 were favorable; and 16 expressed no opinion. These numbers are repeated in the Final Determination, and they are also cited in the Public Representative’s Comments.

The Administrative Record contains a total of 62 surveys. Only two of them indicate that the customer had a favorable view of the closure. If the Record is incomplete, the Postal Service should be required to provide a full record with all 132 responses, including the 33 that were favorable. If only 62 surveys returned, the record should correct the summary of the results and acknowledge that the Final Determination was based partly on an incorrect analysis stating that more than one out of four people approved of the closure.

⁹ Handbook PO-101, p. 14.

3. The questionnaires

There are also issues with the questionnaire used by the Postal Service. As noted above, there are two versions of the survey, the original version that the Manager of Postal Operations gave to the OIC/Postmaster in March 2011 (AR Item 10), and the version that was ultimately distributed to customers. It is not clear from the Record why the survey was changed, but the changes suggest that the Postal Service did not want to gather information that might undermine its case for closing Glenoaks Station.

The original survey begins with the question, “Do you visit the Glenoaks Station for personal reasons, business-related reasons, or both?” This question is omitted in the survey that was actually used, thus denying the Postal Service an opportunity to learn how small businesses in the area might be impacted. The original survey proceeds to ask customers to check boxes indicating how often they use the Glenoaks post office for different functions, like buying stamps and mailing letters. Included among the list are (1) assisting senior citizens or persons with disability, (2) a public bulletin board, and (3) community gathering place. The survey that was used omits these three functions and instead just provides a category for “nonpostal services” and asks the customer to explain what those are. This change in the survey thus denies customers an opportunity to say more about the ways they use the post office.

In the first version of the survey, the third question asks customers, “Do you ever use any of the following alternative methods to conduct business with the Postal Service?” It then lists the post office, the usps.com website, stamps by mail, buy

stamps at grocery stores, etc. This is a useful question for gauging the extent to which the Glenoaks customers depend on the post office rather than alternative access channels. The revised version of the survey omits this question. The original survey has a question, “Do you have a means of transportation available to get to another Post Office in the vicinity?” That question is also omitted in the revised survey.

The second survey has a couple of questions that are not in the original survey. One asks customers if they pass by other post offices in the course of their day, and another asks if they leave their community for shopping, banking, employment, etc. Again, these questions seem designed to produce data showing that customers often leave their communities and will consequently be able to use other post offices. That is exactly how the results are used by the Public Representative, who comments, “Their questionnaire responses make it clear that they routinely travel outside their immediate community for employment and social purposes.”¹⁰ It should be noted that customers were not asked at what time of day they typically travel outside their community. In many cases — such as in the morning on the way to work, the afternoon on the way home from work, or the evening when out to dinner or shopping — it is likely that these other post offices are not even open.

Both surveys have this pair of questions: “Do you currently use local businesses in the area? If yes, would you continue to use them if the post office is discontinued?” Why were these questions even asked? It should be obvious that

¹⁰ Public Representative Comments, p. 8

Glenoaks customers use other businesses in the area, and it should be equally obvious that they will continue to use them if the post office is closed. These questions seem intended not to gather useful information but to imply that closing the post office will not affect local businesses because customers will continue to use them.

At the end of both surveys, at the bottom of the page, there is a space for “additional comments.” It is a very small space, and the prompt does not ask customers to comment on whether they are in favor or opposed to the closing of the post office. Yet it is apparently on the basis of responses to this vague prompt that the Postal Service tallies up those in favor and those opposed to the closure of the post office.

If the Postal Service wanted to make a serious effort to consider the effect of closing the post office on the community, it would be much more useful to ask customers questions like these: How do you think your community would be affected if the post office closed? What would be the worst consequence for you personally if the post office closed? How do you travel to the post office, by public transportation, foot, or car, and if car, who drives? What kind of problems will you encounter if you need to travel to another post office? How often do you go to the post office as the owner or employee of a business? Do you feel that your local post office gives you a “sense of community” or “community identity”? If the post office closes, how likely are you to take some of your business to non-USPS businesses, like private shippers and mailing stores?

4. Addressing customer concerns

According to the Discontinuance Guide, the Postal Service is supposed to respond specifically to each customer's comments (presumably as expressed in the questionnaire). PO-101 states that "a written response must be sent to each customer comment. The response must address the individual concerns expressed by the customer. Consumer and Industry Contact should tailor core letters, as appropriate, to respond to customer comments."¹¹

The Administrative Record on Glenoaks does not contain any correspondence sent to customers addressing particular concerns expressed by individual customers. Instead, all customers were apparently sent the same letter, which summarizes the comments into three concerns: package delivery and pickup; loss of community identity; and a concern that "the Postal Service exhibits a lack of interest in the mailing needs of the community." The letter is dated May 6, 2013. AR Item 20.

One of the purposes of responding to individual concerns is to show that the Postal Service cares about its customers. One can only imagine what patrons thought when they received a "thank you" letter from the Postal Service two years after they had submitted the questionnaire. The letter describes four responses, but two of them are identical, which suggests that no one in the Postal Service even looked closely at what the letter said. None of the concerns discussed in the letter has anything to do with the recurring themes in the questionnaires — concerns about problems getting to other post offices, about how crowded they are, about the

¹¹ PO-101, p. 17.

potential impact on businesses, and so on. AR Item 20. Here are some of the comments:

The N. Hollywood Way office is completely out of the way for me & my elderly/blind mother, for whom one of the main reasons I maintain a P.O. Box. If you could transfer my P.O. Box to the Olive Ave office, that would be great, but the N. Hollywood Way office would force me to cancel. Thank you.

The Hollywood Post Office is always crowded and inconvenient. The Glenoaks Station is more efficient, fast, and reliable.

I plan to discontinue by my P.O. Box upon next renewal.

Hollywood Way is not acceptable. Slow, rude service.

I pass the Burbank main post office. It is very busy, no place to park, traffic is heavy by the main post office. Please do not move the post office to another location. Business will pick up.

I live in Glendale, CA, and there is a new post office on Sonora/San Fernandino Road. But I prefer to use the Burbank one on San Fernando Road. Friendly people, fast service, easy access, lots of parking, no traffic, convenient location, accurate delivery. Please don't move.

Closing this branch will cause a lot of inconvenience. This branch is the closest to me and so I am able to check my P.O. box daily and get and send mail regularly. I am against closing this branch.

Please do not close this Glenoaks Post Office. Using the Hollywood Way is not convenient! They are always very busy with long lines!

I would like to keep this post office. It is convenient, friendly, and practical. I don't like crowded post offices like Hollywood Way, and the one on Olive is hard to get to, plus it's a busy street. I have used this post office since 1977. I would like to continue using it. Thank you.

I depend on this PO for my mail. It has been a very good thing for me to have my PO Box & I need local to mail and receive my e-Bay & QVC transactions and get my new stamps. Don't drive much.

This building is a historical one. I paid for a full year; if you close I want money back. If you close this location I shall not use postal box elsewhere.

Closing Glenoaks Station will have an adverse impact on Burbank's businesses. North Hollywood Way location will not work for us.

The change will force me to drive very much further. I am 77 years old and with the price of gas, I may have to consider getting mail carrier service. But in the meantime, I'll continue with my PO box.

You closed the Magnolia P.O. which is understandable. Too close to Hollywood Station. Glenoaks Station serves a heavy residential area and is not close to Hollywood and Olive Stations. P.S. You state that Glenoaks has low customer traffic? Not when I go there. You should expand it.

As suggested by this sampling, the concerns as summarized by the Postal Service in its letter to customers on May 8, 2013, do not "address the individual concerns expressed by the customer," as required by the Discontinuance Guide.

5. The Community

In order to evaluate the "effect on community," it would seem necessary to have some sense of the community being impacted by the proposed closure. The Discontinuance Feasibility Study consequently asks the Discontinuance Coordinator to describe the geographic and economic makeup of the community; to provide the names of schools, churches, and organizations in the area; and to provide the names of business in the area, including small and home-based businesses. In reply to these prompts, the Discontinuance Coordinator simply notes that the community is composed of "retirees, self employed, commuters students," and there are many schools and churches. Instead of listing or discussing the businesses in Glenoaks, the form says simply, "Many businesses in the Burbank area." There are two other questions of relevance to the demographics: "Do Postal Service employees offer assistance to senior citizens?" and "Do Postal Service employees offer assistance to handicapped citizens?" For both of these questions, the box for "No" is checked. AR

Item 6.

There is a second document in the Administrative Record called the “Community Survey Sheet.” Supp to AR Item 41. In addition to questions about the geographic makeup and assistance to senior citizens cited in the Feasibility Study, there are two other questions: “What population growth is expected? Please document your source. What residential, commercial, or business growth is expected? Please document your source.” For both, the answer is “none,” and no source is cited.

These two documents represent nearly everything the Administrative Record has to say about the Glenoaks community. Yet based on this information, the Public Representative is able to conclude, “Glenoaks demographics, community facts, and various postal choices in the immediate area are sufficient to show the closure of Glenoaks will not have a negative effect on the Glenoaks community.”¹²

Given the actual demographics of the Glenoaks community, it is easy to see how closing the post office could have many negative effects. For example, as the Administrative Record observes, there are indeed “many businesses in the Burbank area.” The Yellowbook lists 870 businesses in the 91504 ZIP code.¹³ The Glenoaks office is on a busy street with numerous businesses in close proximity. Many of these businesses presumably send someone to the post office on a regular basis. With the Glenoaks post office closed, these trips will take longer.

In the questionnaires Glenoaks customers complain that the lines are already too long at the Burbank and Downtown offices. The wait times are likely to increase

¹² Public Representative Comments, p.

¹³ Yellowbook (<http://www.yellowbook.com/local-business-directory/?where=91504,+ca>)

if Glenoaks closes. These other post offices will need to absorb many of the 838 transactions (rated at 1079 minutes) that take place at Glenoaks office daily.

Employees from small businesses will have to travel further and probably wait longer in line than they do now. Even just a few minutes more per trip will add up in time and money. If 100 businesses have to spend just one extra hour on postal businesses every week, the total cost to local businesses (at \$15/hour) would be \$78,000 — more than the Postal Service estimates it will save by closing Glenoaks Station. The costs to local businesses could be many times that amount.

As for future growth, the census reports that the population of the 91504 ZIP code did decline by 3.6 percent from 2000 to 2010, but the data also show that the population of those between the age of 45 and 69 — a population more likely to use the post office — increased 14 percent from 2000 to 2010.¹⁴ There is no evidence in the Administrative Record justifying the conclusion that no residential, commercial, or business growth is expected. According to Sperling's Best Places, job growth is expected to increase by nearly 30 percent over the next ten years in the 91504 ZIP code area.¹⁵

Postal Service employees may not be offering assistance to senior citizens, as the Feasibility Study says, but there are a good many seniors in Glenoaks. According to the 2010 census, 16 percent of Glenoaks population is age 62 and over, and 13.3 percent is 65 or older.¹⁶ There are more than 3,300 people 65 or over in Glenoaks.

¹⁴ ZIP-Codes.com, 91504.

(<http://www.zip-codes.com/zip-code/91504/zip-code-91504-census-comparison.asp>)

¹⁵ Sperling's Best Places, ZIP 91504.

(<http://www.bestplaces.net/economy/zip-code/california/burbank/91504>)

¹⁶ American Fact Finder, U.S. Census Bureau, data for 91504.

(http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_11_5YR_DP05)

Many of them go to the post office, and some of them probably need assistance.

One hopes that postal employees offer to help.

The census data also indicate that in the 91504 ZIP code area over a thousand people car pool to work, nearly 400 take public transportation, and 363 walked to work.¹⁷ Many of these people cannot simply drive to another post office at their convenience, and they too will be negatively impacted by the closing of their post office.

One can find much more information like this in the census data and other sources, but none of it is in the Administrative Record. The Postal Service is supposed to evaluate the effect of a closure on the community, but it does not seem to have made much of an effort to do so.

B. EFFECT ON EMPLOYEES

The Postal Service has little to say about the effect the closure will have on employees. The Final Determination says simply this: "This unit is a retail annex and all employees are part of another installation and their work schedules will be adjusted to work at the parent facility." It is not even clear from the Administrative Record how many people work at the Glenoaks Station. According to news reports, there are two of them, and they will be transferred to another office.¹⁸

¹⁷ American Fact Finder, U.S Census Bureau, data for 91504.

(http://factfinder2.census.gov/bkmk/table/1.0/en/ACS/11_5YR/DP05/8600000US91504)

¹⁸ Glenoaks post office in Burbank to close, officials confirm, Burbank Leader, June 21, 2013 (http://articles.burbankleader.com/2013-06-21/the818now/tn-blr-glenoaks-post-office-in-burbank-to-close-officials-confirm-20130621_1_glenoaks-branch-u-s-postal-service-richard-maher)

C. EFFECTIVE AND EFFICIENT SERVICE

The Postal Service and the Public Representative are confident that Glenoaks customers will continue to enjoy effective and efficient service. In its Motion to Dismiss, the Postal Service states the following:

Glenoaks Station customers will continue to have access to the Downtown Burbank Station, located approximately one mile from the Glenoaks Station, the Burbank Post Office, also located approximately one mile away from the Glenoaks Station, and numerous alternative access retail locations. Due to the close proximity of other postal facilities and the presence of alternate access options, closing the Glenoaks Station will not cause postal customers to lose access to postal services in their community. Motion to Dismiss at 6.

The Public Representative states this:

According to the Postal Service website, there are a total of 10 Postal Service facilities and 40 alternative access sites within a five-mile radius of Glenoaks Station; 8 of these 40 are within a 0.6 mile radius of Glenoaks Station. The metropolitan location and commuting nature of Glenoaks community, together with the close proximity of numerous postal service facilities, is evidence that customers will continue to have access to effective postal service and the opportunity to exercise choice among them.¹ Public Representative Comments at 10.

This information provides a rather incomplete picture of alternate access for the following reasons:

1. The products and services provided at alternate access locations are very limited. The Public Representative observes that there are 40 alternative access sites within a five-mile radius of Glenoaks Station. However, 36 of these sites offer “stamp booklets only.” Moreover, as the Commission has noted in its advisory opinions on stations and branches, the RAOI, and POSTPlan, these alternative access channels are a useful supplement to the post office but inadequate as a

replacement.¹⁹

2. The Burbank and Downtown post offices are only “approximately” one mile from the Glenoaks Station. As discussed in the Reply to the Motion to Dismiss, the actual driving distance from the Glenoaks post office to the Downtown Station is 1.3 to 1.7 miles, depending on the route. The driving distance between the Glenoaks office and the Burbank office on N. Hollywood Way is 2.4 miles. Google Maps says it is a 30-minute walk to the Downtown station and a 40-minute walk to the Burbank office, which requires passing under the Golden State Freeway. As Google Map warns, “Use caution: This route may be missing sidewalks or pedestrian paths.”

3. The distances to other retail channels, whether they are post offices or businesses that sell stamps, do not tell us much about what it is actually like trying to get to one of these other post offices. The Public Representative observes that there are fifty locations with a five-mile radius of the Glenoaks Station “that provide postal services and among which they may exercise choice, should one be more crowded than the others. Travelling the 1.4 miles further to the Burbank Post Office or 1.7 miles further to Downtown Burbank Station, is not onerous given these factual circumstances.” As noted above, the 1.4 miles to the Burbank office is “as the crow flies”; the actual driving distance is at least 2.4 miles. The point here, however, is simply this: It is easy to say the extra distance is not onerous if you don’t have to make the drive. The people in Burbank may have a different view. They live in

¹⁹ See, for example, the Advisory Opinion Concerning the Process for Evaluating Closing Stations And Branches (N2009-1), where the Commission found that while it was commendable for the Postal Service to expand alternative access channels, these alternatives “can not replace an actual visit to a post office. Certain important services, such as money orders and parcel pickup or mailing, may not be feasible except at a staffed retail facility” (p. 39).

southern California and they know about the traffic congestion, parking issues, and other problems they will encounter going to another post office. For some of them, if Glenoaks Station is closed, the experience of going to another post office could easily be “onerous.”

It would perhaps be beneficial to consider the opinion of someone who really knows the Burbank area. Congressman Adam Schiff represents the Burbank area in Congress, and this is what he wrote to the Postmaster General earlier this year:

I strongly urge USPS not to proceed with this closure. First, closing the Glenoaks Post Office would leave Burbank with only two full service Post Offices. While smaller post offices would still continue to operate in the City, those post offices would not offer City residents and businesses the same level of service as the Glenoaks Post Office and as a result residents and business owners would suffer a significant degradation in service. Small business owners and families who rely on the Post Office on a daily basis to help their firms grow, or to receive prescription medication, will likely have to travel far to conduct their business with USPS.²⁰

According to the Congressman, closing Glenoaks would cause residents and small businesses to “suffer a significant degradation in service.” This should cast serious doubt upon the Public Representative’s conclusion that the Postal Service the Postal Service has adequately assessed the closing’s effect on efficient and effective postal services available to the Glenoaks community.” Public Representative Comment at 10.

D. ECONOMIC SAVINGS

The Administrative Record indicates that the Postal Service believes it will save \$740,270 over the next ten years. It breaks down the cost savings as follows:

²⁰ Letter from Congressman Schiff to Postmaster General Donahoe, April 30, 2013 (<http://schiff.house.gov/press-releases/rep-schiff-calls-on-postal-service-to-keep-glenoaks-post-office-in-burbank-open/>).

Building maintenance	\$152,570
Utilities	\$128,890
Transportation	\$67,690
EAS Craft & Labor	\$391,120
Total	\$740,270

The analysis provided by the Postal Service and Public Representative is inadequate on a number of counts:

1. The numbers provided in the Final Determination issued in July 2013 are the same numbers the Postal Service arrived at back in 2009, when it did the Facilities Optimization study. One would think that before issuing a Final Determination to close the post office the Postal Service would want to reexamine and update the economic analysis. It is possible that costs have risen and the savings could be greater. Using numbers from 2009 suggests that the Postal Service is not very serious about developing an accurate, up-to-date estimate of the potential savings.

2. The economic analysis fails to include any additional costs for renovating the Downtown or Burbank post offices to handle additional post office boxes. There are over 400 post office boxes in the Glenoaks post office. Unless there are a lot of unused boxes at these other post offices, some construction work will be necessary. As noted above, the Facility Optimization study done in 2009 indicated that the build-out cost for additional boxes at the Downtown Station would be \$83,258. That number is not included in the cost-savings analysis in the Final Determination. For "Relocation One-Time Cost," the number is \$0. Supp. to AR Item 36. The economic analysis also does not include costs for dismantling the Glenoaks office in preparation for the move and sale.

3. The economic analysis has nothing to say about other additional costs that may be incurred at the Downtown and Burbank post offices when over a thousand customers from Glenoaks change post offices. With Glenoaks doing over 800 transactions a day, it is very likely, perhaps inevitable, that these other post offices will need to add window stations and clerk workhours, perhaps additional administrative workhours, and possibly additional parking. The calculation for economic savings does not include anything for these costs.

4. The Postal Service says it will save the entire salary and benefits of the employees at Glenoaks, even though under “effect on employees,” the Final Determination says that the Glenoaks employees will be transferred to the parent facility. In other words, the employees are not losing their jobs, but their salaries should still be counted as savings. This contradiction has been noted many times by the Commission in its review of appeals, and it remains an unresolved issue.

5. The cost-savings analysis fails to acknowledge that the Glenoaks post office is extremely profitable and may become even more profitable in the future. The Administrative Record shows that revenues have been falling since 2008, but this period coincides with the Great Recession and its aftermath, so they are not a good indication of what the future holds. According to the Postal Service’s most recent financial statement on the first three quarters of the fiscal year, total revenues have increased by 1.3% over the same period last year, after annual declines in each of the last four fiscal years.²¹ Revenues may be up this year at Glenoaks, and the trend line may be reversing. It would be helpful if the Postal Service provided revenue

²¹ Quarter III, 2013 Report on Form 10-Q, United States Postal Service.

numbers for Glenoaks for 2013 YTD compared to last year.

Whatever the trend line, revenues in 2012 were substantial: \$877,111. If it costs anywhere in the vicinity of \$74,000 a year to operate (i.e., the cost savings), the Glenoaks post office is making a profit of over \$800,000 a year. What can possibly be the logic for closing such a profitable facility? The Administrative Record and the Final Determination do not answer this basic question.

6. The cost-savings analysis fails to include any estimate for lost revenue. The Public Representative repeats the numbers on maintenance, utilities, and labor provided in the Final Determination and then observes that “the profits that were earned by Glenoaks Station will likely be dispersed among the multiple nearby postal and alternative access facilities.” In other words, the Glenoaks revenues will enter the postal system at other locations and in other ways.

It is probably true that much of the revenue will find its way into the Postal Service through other channels, but it is totally unlikely that all of the revenues will stay within the postal system. As the comments from the questionnaires quoted above suggest, some customers will seek alternatives. If the Glenoaks office closes, there are other places in Burbank to do mailing business besides U.S. post offices.

For example, there is a Pack & Ship All with FedEx services (1317 N San Fernando Blvd.) just 0.3 miles from the Glenoaks post office; a UPS Store (928 San Fernando Blvd.) just 0.6 miles away; and the Burbank Shipping Store (1812 W Burbank Blvd.), just 1.6 miles away. (Those are actual driving distances, not as the crow flies.) For many customers, these will be more attractive alternatives than the other post offices in the Burbank area. The UPS Store and Pack & Ship All are both

much closer to Glenoaks Station than the nearest post office.

There are also other places to rent mail boxes, which seems to be very popular in Glenoaks. According to the most recent Household Diary study, 2.8 percent of American households have a PO box.²² In Glenoaks, there are 9,180 households and 416 boxes, for an average of 4.6 percent. One can rent boxes at the UPS Store, Burbank Shipping Center, and possibly at the Pack & Ship All as well, and it is likely that many customers will choose these other locations if Glenoaks closes.

There are also other places to buy money orders, which may be a big part of the business done at the Glenoaks post office. The Administrative Record indicates that in 2010 receipts at Glenoaks totaled nearly \$11 million a year. AR Supp 2 Item No. 23. It is likely that a large portion of those receipts come from selling money orders. Within a five-mile radius of the Glenoaks post office (the Public Representative's benchmark for alternate access), there are at least a half dozen places to buy money orders.²³

Given all the non-USPS options, it stands to reason that if their post office closes some customers of Glenoaks Station will seek alternatives, at least some of the time. Given how large revenues at Glenoaks are, just a 10 percent loss of revenues would mean losing about \$87,000 a year — \$13,000 more than the Postal Service anticipates saving.

²² The Household Diary Study: Mail Use & Attitudes in 2011. US Postal Service (<http://about.usps.com/studying-americans-mail-use/household-diary/2011/fullreport-pdf/usps-hds-fy11.pdf>)

²³ The options for money orders include Ace Cash Express at 916 W Burbank Blvd. (1.2 miles from the Glenoaks post office); Golden Check Cashing, at 216 E. Olive (1.4 miles); Cash Plus at 1052 W Alameda Ave (2.7 miles); Ace Cash Express at 6344 San Fernando Rd. (3.0 miles); Ace Cash Express at 10869 Oxnard St (3.9 miles), etc.

The Public Representative is satisfied that the Postal Service has “considered” economic savings as required by 404(d). But the economic analysis provided by the Postal Service fails to consider the one-time costs for installing more post office boxes at other post offices, the cost of adding window hours at the gaining post offices, the fact that no employees are losing their jobs, and so on. Perhaps more important, any serious consideration of the financial picture would need to address the simple fact that Glenoaks is an *extremely* profitable post office, and closing it could easily drive away some business and even end up *losing* rather than saving the Postal Service money.

E. COMPLETING THE PROCESS “IN A TIMELY MANNER”

For all intents and purposes, the discontinuance study on Glenoaks Station was completed in June 2011. All that remained was final approvals within the Postal Service and notification of customers. In preparing a Final Determination to close the post office in July 2013, the Postal Service did not do any additional work. It did not hold a new public meeting, it did not send out new questionnaires, it did not update or modify the cost-savings analysis, and it did not look any more deeply into the potential effects of the closing on the community.

The statute and regulations on closing post offices do not say anything very specific about the time frame during which the process must be completed. The Discontinuance Guide does say this, however. Among the various responsibilities of the Discontinuance Coordinator is the following: “Ensuring process steps are completed in a timely manner” (p. 4).

Completing a discontinuance procedure over two years after it began cannot be viewed as “in a timely manner.” There must be some limit on how old the information in the discontinuance study can be and how long the process can drag on. What if the study had been conducted three or four years ago? Things change in a community, and it is important to have up-to-date information before making a decision to close the post office. The Public Representative acknowledges this problem with the Administrative Record: “To ensure the Postal Service and Commission are not basing decisions on outdated information, the Public Representative urges the Commission to hold the Postal Service to task by requiring it to provide current communal data and input.” Public Representative Comments at 9. But somehow, even without current information in the record, the Public Representative is able to conclude that “the Postal Service has adequately taken into account the closing’s effect on the Glenoaks community.”

In his April 2013 letter to the Postmaster General, Congressman Schiff concludes as follows:

Lastly, I have concerns about the process used to close the Glenoaks facility.... I’m currently unaware of any steps USPS has taken to ensure that that community members affected by the proposed closure have the opportunity to present their views. USPS should solicit input from the community on the closure through a variety of formats – postal mail, online submissions and a public forum with USPS representatives present to answer any questions about the closure.²⁴

Indeed, the Postal Service did solicit input through the mail and at a public forum, but at this point in time, who would know? The survey was conducted well over two years ago, and only two people attended the public meeting on the 2011 Memorial

²⁴ Letter from Congressman Schiff to Postmaster General Donahoe, April 30, 2013).

Day. The Postal Service has clearly failed to make a legitimate effort to invite, gather, and respond to the views of the people of Glenoaks.

IV. THE INTERESTS OF THE GENERAL PUBLIC

On August 16, 2013, an item appeared in the Burbank Leader about the pending appeals on the Glenoaks Station.²⁵ The article quotes from the Public Representative's Comments filed the day before in which the appellants' arguments are described as "not persuasive." The news item reports that in a phone interview the Public Representative said that the Postal Service is "hemorrhaging money" and residents have 50 locations within a 5-mile radius that offer postal services. "I understand the petitioners are upset, but they have multiple options," the Public Representative said. "They live in a metropolitan area."

One hesitates to make much out of a comment in a newspaper article, but if this is an accurate quotation, the comments are troubling. The Public Representative seems to be justifying her conclusion that the Postal Service's decision to close Glenoaks should be affirmed by saying that the Postal Service is losing a lot of money and needs to close facilities. The Postal Service may use its financial condition to justify closing post offices, but this has nothing to do with the question of whether or not a final determination should be affirmed or remanded.

According to 404(d), the Commission's review of appeals is supposed to focus on whether the final determination to close the post office was arbitrary or capricious and whether the Postal Service observed the procedure required by law and came to

²⁵ "Burbank residents appeal Glenoaks post office closure," Burbank Leader, August 18, 2013.

a decision supported by the evidence. The Commission is supposed to examine the *manner* in which the Postal Service made its decision to close a particular post office: Did the Postal Service follow all the requirements spelled out in the statutes and regulations, did it do so in good faith, and does the evidence support the decision? The Commission's role, and presumably the Public Representative's as well, is not to determine if the closure was justified or made necessary by the Postal Service's overall financial situation. Arguing that a post office in a metropolitan area should be closed because the Postal Service is "hemorrhaging money" and customers have "multiple options" is not relevant to the matter at hand.

It may be asking too much for a Public Representative to put aside his or her views about the financial condition of the Postal Service when assessing how a Final Determination was arrived at, but if bias is inevitable, the interests of the general public might better be served if one began with the assumption that closing post offices is not a good solution to the Postal Service's current problems. That approach, anyway, would lead one to perform a critical analysis of the Postal Service's process in reviewing a post office for discontinuance. By studying the Administrative Record more closely and challenging the Final Determination more vigorously, a Public Representative would encourage the Postal Service to develop a more thorough, accurate, and persuasive record. A more critical approach would also ensure that the Postal Service did more than nominally "consider" the effects on community and economic savings. The Postal Service would be required truly to consider these factors in making its decision whether or not to close a post office.

V. CONCLUSION

In its advisory opinion on the Retail Access Optimization Initiative, the Commission wrote the following:

Administrative records generated by the PO-101 process for discontinued facilities should demonstrate awareness of both quantitative and qualitative issues. For example, the administrative record should include current salary figures, identify all one-time expenses such as creation of additional post office boxes, cluster boxes, or other relocation expenses and take them into account in estimating savings, clearly address any possible issues with a potential lack of sufficient post office boxes at gaining facilities, quantify offsetting costs such as additional rural delivery, and review the mileage and travel time from the closing facility to the gaining facility. The administrative record should identify the type of salary that is saved, whether it is a postmaster or an OIC, and the status of such employees after discontinuance. The administrative record should also reflect the Postal Service's consideration of capacity at a "receiving facility" to handle increased retail transactions, post office box rentals, and other transactions.²⁶

The Administrative Record on Glenoaks does not do most of these things. The salary figures are out of date; the cost of adding new post office boxes is not included in the estimated savings; there is no discussion of whether the receiving facilities can handle increased transactions, retail and otherwise; and so on.

It should come as no surprise that the Administrative Record on Glenoaks has so many problems. The decision to close the post office was made before the discontinuance process began. The Postal Service decided to close the Glenoaks post office in 2009 after the Facility Optimization study determined that the real estate market was "hot" and selling the building could generate \$1.23 million in revenue, as well as saving \$74,000 a year in costs. When the Postal Service initiated a discontinuance study in 2011, the outcome was a forgone conclusion. Upper-level

²⁶ Advisory Opinion on Retail Access Optimization Initiative, December 23, 2011, p. 102.

management had decided to close the post office long before, and it was just a matter of going through the motions to fulfill the requirements of 404(d) and 241.3.

The Final Determination says that Glenoaks was selected for discontinuance review because “there are a number of alternate sites within a short radius of this office that can provide the sale of stamps and the mailing of most package items.” This is always the case with stations and branches in metropolitan areas; it is not a reason for selecting Glenoaks for discontinuance. The Final Determination also notes declining revenues over the past few years, but these are the years of the Great Recession, and nearly every post office has experienced such declines. This too is not a reason for singling out Glenoaks for closure.

The Final Determination does reference the 2009 “Node Study” which recommended the sale of the Glenoaks post office building, but the Postal Service does not mention the plan to sell the building in its rationale for discontinuance, and the sale is not included as one of the “advantages” of the closure. In other words, the main reason for closing the post office is essentially hidden in the Administrative Record. The Public Representative does not even mention the sale in her Comments.

The Postal Service may have its reasons for wanting to close a very profitable post office, but the Final Determination does not offer a rational explanation. The Postal Service’s decision to close the Glenoaks post office is therefore “arbitrary” and “capricious.” Moreover, the Postal Service did not follow its own regulations in the way it held the community meeting on a federal holiday, did not respond appropriately to customer concerns, and did not do a robust cost-savings analysis.

The Postal Service's decision to close the Glenoaks post office is therefore "without observance of procedure required by law." The Postal Service's entire case for closing the Glenoaks post office is "unsupported by substantial evidence on the record."

For the reasons set forth above, we respectfully disagree with the conclusion reached in the Public Representative's Comments. We believe there is compelling evidence that the Postal Service's decision to close Glenoaks Station was unwarranted and should be remanded. At the least, the decision deserves a thorough review by the Commission. For this reason as well as all those discussed in our Reply to the Motion to Dismiss, we urge the Commission to reject the Motion and hear the Glenoaks appeal.

Respectfully submitted on behalf of petitioner
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